



TEXAS DEPARTMENT OF INSURANCE

Financial Regulation Division - Company Licensing and Registration (305-2C)

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Texas Captive Insurance Company Preliminary Plan of Operations Instructions

Prior to filing a formal application, captives are encouraged to first complete the pre-filing process. The company should contact staff via e-mail at Captives@tdi.texas.gov to: (1) submit the information listed below; and (2) request a teleconference or face-to-face meeting to discuss the formation or redomestication of a captive insurance company.

Prior to the meeting or teleconference, the following documentation should be submitted in preparation for discussion:

1. Preliminary Plan of Operations

Parent and Affiliated Group

- A brief summary of the captive insurance company's parent and/or affiliates;
- Explanation of how the captive insurer fits into the business strategy of the organization;
- A description of the captive insurance company affiliate's significant operations in Texas;
- Source of funding and how it is relative to the overall organization's ability to fund the proposed captive risk;

Captive Insurance Company Operations

- A description of the insurance programs or types of coverage provided by the captive insurance company;
- Disclosure regarding whether the captive intends to direct write or reinsure the proposed lines of coverage;
- Describe any proposed Controlled Unaffiliated Business as defined in TIC §964.001(a)(5);
- Proposed reinsurance structure with the identification of reinsurers;
- Proposed coverage and coverage limits;
- Range of expected gross and net premium levels;
- Proposed capital structure, including projected minimums;
- Timelines and any deadlines for license issuance.

Corporate Governance

- The structure of the governing body, as well as the officers who will manage the operations.

Captive Management Company/Service Providers

- The name of the proposed captive manager and principal service providers; note if any are related parties.

2. Feasibility Study (if available)

- Include a description of the nature and extent of the specific historical loss experience available and an actuarial report if conducted.

3. Financial Projections

- Complete [Financial Projections for Captive Insurance Company](#), FIN182

For more information about Texas captive insurance companies, contact:

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